

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
THURSDAY, JANUARY 25, 2007, 2:00 P.M.
Room W020, West Office Building, State Capitol Complex

Members Present: Sen. Greg Bell, Co-Chair
Rep. Kory M. Holdaway, Co-Chair
Sen. Brent Goodfellow
Rep. Mel Brown
Rep. David Clark
Rep. Brad Daw
Rep. John Dougall
Rep. Kay McIff
Rep. Scott L. Wyatt
Rep. Chris Johnson
Rep. Carol Spackman Moss
Rep. LaWanna “Lou” Shurtliff

Members Excused: Sen. Curtis Bramble
Sen. Dan Eastman
Rep. Ron Bigelow

Staff Present: Spencer Pratt, Senior Legislative Fiscal Analyst
Rolayne Day, Secretary

Public Speakers Present: Commissioner Richard Kendell
Dr. Steven Hess, CIO USHE and UU
Colonel Jeff Wandry, Hill Air Force Base
Jim Sutton, Retired Air Force Colonel
Shawn Buchannan, Northrup Grummond
Julianne Grant, Comms Mgr., L-3 Communications
Pres. Ann Millner, WSU
Pres. Stan Albrecht, USU
Rep. Snow
Gayle McKeachnie, Governor's Rural Advisor
Dr. Brad Winn, Provost, Snow College
Pres. Ryan Thomas, CEU
Jed Pitcher, Chair, State Board of Regents
Michael Freeman, Director, UVSC Library
Jon Ostler, Chair, UALC & Dean Snow Library

A list of visitors and a copy of handouts are filed with the committee minutes.

1. Call to Order—Committee Co-Chair Holdaway called the meeting to order at 2:13 p.m.
2. Approval of Minutes—There were no minutes to approve.
3. USHE IT (Issue Briefs USHE – 06, 07)—Analyst Spencer Pratt—Software licensing and maintenance agreements for the USHE are managed through the Commissioner’s Office. This centralized negotiation results in cost savings and standardization at the institutions. The Analyst recommends \$900,000 to help mitigate cost increases and one-time funding of \$3 million to replace IT equipment throughout the system. The Analyst also recommends funding to support USHE administrative IT

systems and the operation of a remote "hot-site" disaster recovery facility. The recommendation funds two FTE positions in addition to lease costs for the storage space in the Richfield data center.

Dr. Steven Hess, USHE CIO—Representatives of institutions across the system met to decide what to work on (1) separately, (2) together and (3) what UEN could do for them so there is no duplication. He distributed a handout entitled *Information Technology Legislative Request* containing several sections, one of which is the IT strategic plan divided into those three areas.

The handout also contains a copy of the USHE Security and Disaster Recovery Survey Report. Dr. Hess said none of the institutions have offsite backup storage, a critical component of disaster recovery. The Regents' request would provide the equipment and funding for the remote site.

Tab 5 of the handout displays a table showing the software, systems and agreements that are in place across the USHE. Tab 6 is a summary of the core network infrastructure and data centers along with the age of the systems. Dr. Hess said institutions are moving into dangerous territory with the age of some of the infrastructure. Once a router gets four to five years old, there is often no vendor nor security upgrade, and that makes the system vulnerable to security breaches. This request is a high priority for the Regents.

Dr. Hess showed a PowerPoint presentation detailing how integrated IT is in today's educational process and curriculum. It is in virtually every aspect of academics. Faculty use IT for teaching, research, communication, distribution of course information and much more. Administration uses IT for management functions. IT improves interdisciplinary research and studies, technology transfer, student engagement, international experiences, development, and IT allows efficiencies in the business process for less cost.

4. USU/WSU Engineering Program (SB 53, Sen. Bell)—Sen. Bell said there was very compelling testimony in the previous meeting regarding the need for engineers. S.B. 53 allows collaboration between USU and Weber State to combine the ability to grant an electrical engineering degree (USU) and the allied industries programs (WSU) to provide for and fund an electrical engineering degree from USU on the Weber Campus.

Jim Sutton, Retired Air Force Colonel, represents the 309th Maintenance Wing at Hill Air Force Base. Mr. Sutton said Hill is the largest single-site employer in the State. His job is to ensure that the high tech capability is maintained, particularly for electrical engineers and computer scientists that focus on the electricity and computer systems for the Air Force jets. That requires expertise that is increasing in demand as the jets are more and more integrated.

Colonel Jeff Wandry, Hill Air Force Base, said the current need for engineers and scientists at Hill is very high. There are currently 1,164 engineers employed at Hill, 1,130 of whom are Utah natives. He said there is a significant need for more electrical and software engineers. Baby Boomers are retiring, and there is a declining supply of US citizen scientist and engineer graduates along with an increasing domestic and international demand for engineers.

Colonel Wandry said that Hill Air Force Base has an annual requirement for approximately 74 engineers and scientists. In addition, the technical community at Hill has a continuing education need for courses and advanced degrees required for competitiveness. The average salary for engineers is between \$75,000 and \$80,000. They need continuing education to maintain the edge and to focus on Hill issues such as systems engineering. They would also like bridge courses to enable engineering technology degree holders to pursue graduate technical degrees as well as worker-friendly course offerings to allow crossover into science and engineering.

Shawn Buchanan, Northrup Grummond, discussed the need for engineers at his business in the Ogden area. Julieanne Grant, L-3 Communications, said engineers are the lifeblood of their business. Northrup Grummond has been a great supporter of the higher education institutions with L-3 administrators on boards of trustees, by providing scholarships for students at the institutions, and in many other ways. This year L-3 will need over 200 engineers.

Pres. Ann Millner, WSU, said there isn't an electrical engineering program at Weber, so they want to partner their pre-engineering program with the engineering program at USU. Pres. Stan Albrecht said they are delighted to work with Weber to meet the needs for Hill Air Force Base.

Rep. Holdaway asked what the priority is for this request and what has already been done to meet some of the programmatic needs without funding. Pres. Millner said the discussions with Hill started a few years ago, and for two of those years, budget cuts were taken. There are large needs in nursing, and other areas, and they have not been able to meet this engineering need with current allocations. Additional funding is necessary to start a totally new program, even a partnership.

Commissioner Kendell said this is how the USHE should work— two institutions cooperating and bringing the best assets of each to solve a problems. S.B. 53 is one of the Regents priorities. Sen. Bell said in two years there will be 30 new engineers and 30 more every year thereafter.

5. Tuition Tax Credits (SB 62, Sen. Bell)—Sen. Bell said the cost of tuition has increased significantly and that means that salary increases for higher education employees have been paid on the backs of students. 85% of the higher education budget is used for personnel. Sen. Bell said tuition, fees, books, etc. are going higher and higher and students are being priced out of an education. Pell Grants are going down, and the student loan burden has increased tremendously. Many people don't attend college because they can't afford it and they don't want to borrow.

SB 62 creates a \$300 refundable tax credit under both the traditional and the flat tax systems for each student attending 12 hours or more at a USHE college or university and with an annual income of less than \$30,000. It is estimated that perhaps 30,000 students could take advantage of this provision. He noted that it is a tax cut, it isn't something that needs to be funded. Hope and Lifetime credits will need to be considered for those that use this provision.

Questions, comments and discussion was heard from Reps. Wyatt and Holdaway. Rep. Dougall asked why the bill doesn't just funnel the money to the institutions rather than to the students. The amount could then be \$4000 or \$5000 and students could pick the institution of their choice. Sen. Bell said that would require state funding, his bill does not. The provision is portable since the student decides where to go. In addition, there is no overhead, no administrative fee, and it holds the institution harmless. Rep. Dougall asked if the tax credit could be applied to public education. Sen. Bell said it would not under his bill.

6. Higher Education Partnerships Appropriation (HB 185, Rep. Snow)—Rep. Snow said H. B. 185 provides for a statewide partnership with USU's branch campuses and other institutions and also appropriates funding for them.

Gayle McKeachnie, Governor's Rural Advisor, has worked on economic development in rural Utah over the last year with the Governor's Rural Partnership Board. This year the Board wants to enhance higher education in rural Utah. All the grants, tax incentives, and loan programs for economic development are of little value in rural Utah unless there is an educated work force. The Governor's Rural Partnership Board recommended that USU carry out the mission because of its land grant and teaching missions throughout the state. The proposal would provide enhanced bachelor degree

opportunities in 11 of the 15 counties in Southern Utah. In rural Utah the average number of bachelor degree holders is about half that of urban areas. The Governor put \$5 million in his budget for this. The partnership would not require new buildings or programs, just an expansion of what is already in place. Some, but not all of the recommendations are in the Regents' budget.

Dr. Brad Winn, Snow College Provost, said this bill is critical to the six Central Utah counties in the Snow College service area. Those counties are not known for their thriving economies and the educational attainment rate is quite low compared to the rest of the state. Neither the CEU nor the Snow service region has a four-year institution of higher education.

Pres. Ryan Thomas, CEU, said that this proposal is incredibly important for CEU. Discussions with companies who look to relocate or who want to create businesses in those areas stall when they get to the education attainment rate in the area.

Pres. Albrecht said this is an opportunity to provide a handful of critical four-year opportunities at CEU and Snow without growing those institutions to four-year status. It will affect lives, local communities, and local economies. New money is necessary to create a robust regional campus system. They are planning to leverage funding with matches from communities. This bill allows them to reach out to a segment of the population that cannot move somewhere to get an education.

Following a question from Rep. Holdaway, Rep. Snow said that language regarding the \$520,000 for on-going special education on the Wasatch Front needs amending.

Pres. Albrecht said some classes will be face to face by on-site faculty, some classes will be delivered by UEN via the new backbone, and some will be online. The classes may originate in one of the other centers around the state. Rep. Snow said there will be faculty on sight at each location, but they will be working together to support the entire system.

Rep. Holdaway said there are several proposals in bills before the committee that are legitimate, but it is frustrating to try to put them together.

Commissioner Kendell said the USHE has many assets that should be state not regional resources. Institutional priorities align with Sen. Hickman's bill that would fund institutional priorities. Both the Weber/USU and the Snow/CEU/ USU partnerships are part of the budget request.

Jed Pitcher, Board of Regents Chair, said the USHE presidents are cooperatively minded. The Regents are supportive of the institutional priorities and of Rep. Snow's and Sen. Bell's bills.

Rep. Holdaway doesn't want an institutional priorities bill from each institution in the years to come. Rep. Clark asked if the Commissioner's Office has prioritized the list of priorities. Commissioner Kendell said the Regent's request represents a consensus budget.

7. USHE Academic Library (Issue Brief USHE – 08)—Mr. Pratt said the Utah Academic Library Consortium (UALC) is a collaboration of all nine USHE institutions plus Westminster College and BYU. It provides a way for libraries in the state to share and leverage resources. The Analyst recommends ongoing funding of \$642,000 and a one-time appropriation of \$1 million.

Jon Ostler, UALC Chair and Dean of the Snow College Library, discussed some of the history of the consortium and what they are doing to maximize and share resources. The UALC allows students at smaller schools to access resources and databases that would not be available otherwise. Mr. Ostler also noted that the Consortium supports the partnerships discussed earlier.

Michael Freeman, Director of the UVSC Library, said libraries in the higher education system have been partnering for a long time. An investment in UALC is an investment in all libraries and students in the state. Most contracts are negotiated through FTEs, so when UALC negotiates with all FTEs in the system plus Nevada (a partnership), they get a lower price. UALC is especially important for remote sites because content can be delivered across the Web. They are also investing in database content software that will manage the growing number of databases they have and make it easier and more efficient to search.

8. USHE Services for Hearing Impaired Students (Issue Brief USHE – 09)—Mr. Pratt said higher educational institutions are required to provide accommodations for students with disabilities. The most common way to accommodate hearing impaired students is to furnish interpreters who go to classes with the students. Institutions can incur an average of \$10,000 per student for these services, depending upon the course and availability of trained, certified interpreters.

The number of students requesting services has grown from 87 in 2001–2002 to 152 last year. Since the number varies from year to year at each institution, the Analyst recommends a new \$1 million line item within the State Board of Regents' budget to serve as a central funding source for these services. Institutions can then request reimbursement for the costs incurred.

Rep. Daw asked if services must be provided at all campuses or if students needing the services could be directed to a campus that has the same degree. Mr. Pratt said if a student is on campus and requests the services, institutions are required to provide them.

Commissioner Kendell—The Regents request \$1,939,200 to meet ADA required services for hearing impaired students. It is anticipated that 190 to 200 students will require translator services in FY 2008. Commissioner Kendell discussed how many interpreters, note takers, etc. have been required over the last several years. The Regents have traditionally requested ongoing tax funds to support ADA services for students but have never been funded for those costs. He reported that the average costs for services ranges from \$22,000 at SUU and Dixie to \$10,000 at UVSC, CEU, and Snow. Deaf citizens want to be self-sustaining adults and the USHE wants to help them do it.

Rep. Brown asked if technology has increased or decreased the need for interpreters. Commissioner Kendell said that there have been technology advances that are helping, but they aren't universally in place and are expensive.

9. Committee Business

MOTION: Rep. Daw moved to adjourn.

Committee Co-Chair Holdaway adjourned the meeting at 4:20 p.m.

Minutes were reported by Rolayne Day, Secretary.